

Remarks

In the Final Office Action mailed April 1, 2004:

1. Claims 26, 30, 34, 40 and 41 were rejected under 35 U.S.C. § 112 ¶ 1 as failing to comply with the written description requirement;
2. Claims 1-4, 6, 8, 10-11, 20, 22, 24-25, 39 and 42 were rejected under 35 U.S.C. § 103(a) in view of U.S. Patent No. 6,338,050 (Conklin) and U.S. Patent No. 6,260,024 (Shkedy);
3. Claims 5 and 9 were rejected under 35 U.S.C. § 103(a) in view of Conklin, Shkedy and U.S. Patent No. 5,677,955 (Doggett);
4. Claim 7 was rejected under 35 U.S.C. § 103(a) in view of Conklin, Shkedy, Doggett and U.S. Patent No. 6,070,150 (Remington);
5. Claims 12-16, 18-19, 30-33 and 41 were rejected under 35 U.S.C. § 103(a) in view of Conklin, Shkedy and U.S. Patent No. 6,029,151 (Nikander);
6. Claim 17 was rejected under 35 U.S.C. § 103(a) in view of Conklin, Shkedy, Nikander and U.S. Patent No. 6,069,896 (Borgstahl);
7. Claims 21, 23, 26-28, 40 and 43 were rejected under 35 U.S.C. § 103(a) in view of Conklin, Shkedy and U.S. Patent No. 5,963,647 (Downing); and
8. Claim 29 was rejected under 35 U.S.C. § 103(a) in view of Conklin, Shkedy, Downing and Nikander.

I. Telephone Interview

Applicants' attorney cordially thanks the Examiner for conducting a telephonic interview on June 8, 2004 in such a friendly, courteous manner. He offered very useful and substantive feedback to Applicants' proposed amendments.

II. Rejections under 35 U.S.C. § 112 ¶ 1

In claims 26, 30, 34, 40 and 41, terms of a value transfer initiated by a first user, involving a second party, are not negotiable by the second party. Support for this proposition can be found at page 3, lines 6-13, wherein an embodiment of the invention is described that allows a first user to configure a transaction on a client device, even while offline, and then upload the transaction to the value exchange system when connected to the system. This section

also reveals that the first user may receive “transactions” initiated by other users. Thus, because users only send complete transactions in this embodiment, there are no negotiable terms exchanged between them.

As specified on page 19, lines 16-18, “when a first user initiates a transaction to transfer value to another user, the other user’s acknowledgement may not be needed” in order to close the transaction. Thus, in this embodiment of the invention there can clearly be no negotiation of terms of the transaction before it closes. The initiating user’s account is debited even before the receiving user learns of the transaction (page 18, lines 16-17). This embodiment can be contrasted with an embodiment of the invention described on page 21, at lines 8-11, wherein *both* parties must agree to the terms of a transaction before it can close.

On page 22, lines 10-16, it is even more clearly stated that a complete transaction may be submitted by a first user, which allows the value transfer system to execute the transaction (e.g., exchange funds) before the second user ever learns of the transaction. Again, clearly no terms of the transaction can be negotiated if the transaction is completed before a party even learns of it.

On page 6, lines 17-25, an embodiment of the invention is described in which a registered user initiates an exchange of value with an unregistered party by sending details of the exchange to the value transfer system. The system may then “notify [the unregistered party] of the exchange.” This furthers shows that an exchange generated by one party is presented to the other party as a complete transaction – with no terms open for negotiation.

III. Conklin (U.S. Patent No. 6,338,050)

The invention disclosed in Conklin relates to “systems for conducting negotiations and transactions” (column 1, lines 7-9). There are significant differences between Conklin and claimed embodiments of Applicants’ invention.

A. Conklin Requires Communication Between Parties

In claimed embodiments of the present invention, there is no communication between parties engaging in a value exchange.

In Conklin, as in other references previously cited by the Examiner (e.g., Doggett, Downing, Kasai), parties must communicate with each other before there can be any “exchange of value.” In particular, in Conklin the parties communicate to negotiate a deal:

It is an aspect of the present invention that it provides comprehensive iterative bargaining abilities for both buyers and sellers that enable them to *negotiate* all the terms and conditions of a transaction—not just the price. (column 14, lines 30-33; emphasis added).

... the participants negotiate terms iteratively, back and forth through multivariate negotiations engine 212 until the deciding entity accepts and closure 240 is reached. (column 25, lines 5-9)

Thus, not only does a buyer communicate suggested terms, or an offer, to a seller, but the seller must respond (e.g., with a counteroffer).

Conklin “allows a buyer/participant to ... propose and negotiate orders and counteroffers” (column 14, lines 7-8). Fig. 1i is a flow diagram of the steps of the iterative multivariate negotiations engine, and shows that one participant must propose terms to another participant, “thereby creating a communication path” between the initiating participant’s terminal and the destination participant’s terminal (column 23, lines 37-46). The two participants are negotiators (column 23, line 50) and direct several communications to each other.

B. Conklin does not Receive a Value Exchange Transaction or Request

Current embodiments of the present invention (e.g., claim 1) recite the receipt, at a value exchange system, of a value exchange transaction prior to a second party learning of the transaction. The Conklin system does not receive a value exchange transaction, if it receives one at all, until after the parties have communicated with each other. Instead, the Conklin system receives terms of a negotiation from one participant (column 23, lines 39-43); then the participants negotiate those terms (column 23, line 63 to column 24, line 4). The “system” could be a multivariate negotiations engine 212 (Fig. 1e), but a sponsor (see Fig. 1a, reference 06; column 17, lines 14-24) is preferred (column 24, lines 60-63).

Similarly, Conklin does not receive a *request* for a value exchange until after both parties have communicated with each other; even then, there may not be a value exchange at all. The only thing Conklin receives from one party, before the two parties communicate, are terms to be negotiated between a buyer and a seller.

C. Buyers Don't Identify Sellers by Electronic Mail Addresses in Conklin

In an embodiment of the invention (e.g., claim 44), a value transfer system receives a second user's electronic mail address as part of a value transfer request from a first user. In Conklin, a buyer does not identify a seller to a sponsor or negotiation engine by electronic mail address. Instead, a buyer proposes terms to a seller "over the Internet 04 through multivariate negotiations engine system 02, thereby creating a communications path which is ultimately directed by multivariate negotiations engine system over the Internet 04 to the destination terminal" of the seller (column 23, lines 39-45). Thus, the seller is identified by a name, a website, the products it sells, etc.

This is necessary because of the closed community implemented in Conklin. Buyers and sellers appear to negotiate with each other in communities hosted by a sponsor or negotiations engine. Thus, not only must buyers and sellers communicate with each other, unlike claimed embodiments of Applicants' invention, specialized communications are required (not electronic mail).

IV. Selected Claims

A. Claims 1 and 39

Conklin and Shkedy require communication between the buyer and the seller involved in a negotiation or a deal. In particular, as described above, a buyer directs a first set of proposed terms of a deal to one or more sellers. In claim 1 of the present application, a value transfer system receives a value transfer transaction from a first user, where the transaction involves a second user. The first user does not inform the second user of the transaction. Only after the transaction has been received at the value transfer system (e.g., the terms are set) is the second user notified, by the system.

Claims 1 and 39 were amended to more clearly reflect this difference between Applicant's claimed invention and the teachings of Conklin and Shkedy

B. Claims 26, 40

Claims 26 and 40 recite that, from the time a value exchange transaction involving a first and second user is received at a distributed transaction system (from the first user), until the value is transferred, terms of the value exchange are not negotiable by the second user. As

described above, Conklin requires negotiation between the parties – no terms are finalized until they have communicated between themselves. Therefore, Conklin teaches away from the claimed embodiment of Applicants' invention.

C. Claims 30, 41

Claims 30 and 41 recite that the amount being exchanged between a first user and a second user is specified by the first user and is non-negotiable by the second user. As described above, Conklin requires negotiation between the parties – no terms are finalized until they have communicated between themselves. Therefore, Conklin teaches away from the claimed embodiment of Applicants' invention.

D. Claims 34-37

Regarding claims 34-37, the Examiner stated that it would have been obvious to one with ordinary skill in the art to include separate servers for synchronization, communication, financial, and security. Applicants traverse. No reference has been identified that teaches or suggests the combination of entities proposed by Applicants.

The comment that “network efficiencies” would lead one to combine these servers is insufficient to obviate or anticipate claims 34-37. In the name of “network efficiencies,” one would be as likely to combine a server and a client, a database server and a mid-tier server, and so on, as they would be to employ the various components of a value exchange system recited in claim 34. Indeed, to promote “network efficiency,” one would combine the various servers of claim 34 into a single server.

Further, in a value exchange transaction submitted by a first party to a value exchange system in claim 34, the first party identifies the second party by electronic mail address. As described above, a buyer in a Conklin community cannot do this.

E. Claim 42

Claim 42 requires a value receiver to be identifiable, for the purposes of a value transfer, only by an electronic mail address. The Examiner recognized that neither Doggett nor Kasai disclose this element (paragraph 12 of the previous office action). And Perkins (column 2, line

61 to column 3, line 14) discusses the association of an Internet address with a mobile unit in a “pseudo-network” – a network that is not physically embodied.

However, an Internet address or a network address is not the only way to identify the mobile unit in Perkins. At column 5, lines 57-60, Perkins requires a mobile unit to identify itself to a gateway with a separate serial number before the mobile unit can be given an Internet address. Thus, Perkins *teaches away* from Applicants’ invention.

Also, an Internet address is not the same thing as an electronic mail address; as the Examiner is no doubt well aware, multiple electronic mail addressees can use a single Internet (IP) address. Thus, an Internet address cannot disambiguate one user from another.

F. Claim 43

Claim 43 recites a value transfer involving a user identified only by an electronic mail address. Conklin identifies sellers by websites (column 31, lines 60-64). Shkedy identifies sellers by name, contact information, type of business, etc. (column 10, lines 11-14). Thus, neither Conklin nor Shkedy teach or suggest this limitation of claim 43.

G. Claim 44

In the embodiment of the invention reflected in claim 44, a value transfer system receives a second user’s electronic mail address as part of a value transfer request. As described in the previous section, buyers in Conklin communicate (negotiate) with sellers through a proprietary system; they cannot and do not use electronic mail addresses to identify each other.

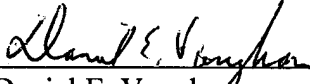
Further, in claim 44 the second user’s electronic mail address is sufficient for the value transfer system to transfer the requested value from the first user to the second user. This is possible because the terms of the value transfer are set by the first user. Because Conklin provides a negotiation system, the Conklin system requires much more information (e.g., what is being sold, quantity, delivery terms, seller name), in order to conduct a negotiation.

CONCLUSION

It is submitted that the application is in suitable condition for allowance. Such action is respectfully requested. If prosecution of this application may be facilitated through a telephone interview, the Examiner is invited to contact Applicant’s attorney identified below.

Respectfully submitted,

Date: June 10, 2004

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